

EXHIBIT 4



Debra L
DeYoung/LAKE/PPD/ABBOT
T

02/01/2000 12:38 PM

To spoolner@riteaid.com@internet

cc Carole W.Dunn/LAKE/PPD/ABBOTT@ABBOTT, Theresa I
Parker/LAKE/PPD/ABBOTT@ABBOTT

bcc

Subject Ery Contract

Here is the latest version of the Abbott/Rite Aid Ery contract for your review.



RiteAidEryContract99clean2.dc

Highly Confidential

ABT_ERY-E00016514
ABT_ERY-E00016514 [D]

Abbott Laboratories Inc.
Pharmaceutical Products Division

D303 AP-30
200 Abbott Park Road
Abbott Park, IL 60064

Mr. Steve Poolner
Rite Aid Corporation
9501 East Shey Blvd.
Scottsdale, AZ 85260

January 7, 2000

ABBOTT ERYTHROMYCIN AGREEMENT

Based upon Customer's commitment to purchase and Abbott's commitment to have available the products contained herein, Abbott Laboratories Inc., Pharmaceutical Products Division would like to offer the products on the attached Exhibit A for the period 07/01/99 through 06/30/2001 under the following terms and conditions, except that the rebates on Exhibit A shall be paid for the period of 7/01/99 through 6/30/2001 if Customer meets the marketshare requirements.

GENERIC NAME/PRODUCT DESCRIPTION ("Product(s)"): See Attached Exhibit A

Any discount/rebate received by Customer under this Agreement is a discount /rebate within the meaning of 42 U.S.C. Section 1320a-7b(b)(3)(A) of the Social Security Act and Customer may have an obligation to report this discount to any state or federal program which provides cost or charge-based reimbursement to Customer for the items to which the discount/rebate applies. Prices listed herein reflect the discount price before rebate, rebates earned will be paid following determination of eligibility based on marketshares as described within this Agreement.

Abbott will comply with all of its reporting obligations imposed under federal law for discounts and rebates and take the discount into account in computing their "average manufacturer price" and "best price" under the Medicaid drug rebate program.

The prices quoted herein are subject to increase by vendor in the event that they would render Abbott liable for Medicaid rebate payments higher than the then-established floor under the Omnibus Budget Reconciliation Act of 1990, as amended from time to time. Should Abbott raise the price, Customer shall have the right to terminate this Agreement.

NOTE: Customer commits to purchasing a minimum of Thirty Thousand Dollars (\$30,000) of the Product contained herein per twelve month period of this Agreement.

REBATES: Abbott shall calculate Customer's market share attainment on a Category by Category basis and rebates shall be paid on a quarterly basis (July-September, October-December, January-March, April -June) for attainment of any Category where Customer's Abbott Product market share percent as shown on Exhibit A is achieved. Customer must sign the release on Exhibit B to allow Abbott to obtain data for Customer's locations from IMS, if available, or submit market share data as set forth in Exhibit C. Abbott shall provide a listing (Exhibit D) of the Abbott and competitive products used for calculating Customer's market share with the return of a fully executed Agreement, which listing shall be subject to revision by Abbott from time to time in its sole discretion. For the purposes of determining Abbott Product usage, units for categories one through four (1-4) shall be based on "eaches", i.e. Tablets, capsules, etc. Units for categories five through 7 (5-7) shall be based upon milliliters regardless of Product concentration.

TERM. Price(s) listed under column "Cont Price" on Exhibit A will remain firm for the period 07/01/99 through 06/30/2001.

CANCELLATION CLAUSE: This Agreement is subject to cancellation by either party without cause upon thirty (30) days written notification or immediately upon delivering written notice to the other party in the event of the bankruptcy or insolvency of the other party.

DIRECT ORDER PURCHASE TERMS: 2% Thirty (30) days from date of invoice, Net 31 days. Sixty (60) days extended dating shall be granted on purchase orders of \$500 or more for Products on Exhibit A. Therefore total dating shall be 2% Ninety (90) from the date of the invoice, Net 91 days for direct purchases of \$500 or more. On individual direct purchase orders totaling less than \$300.00, a \$20.00 handling charge will apply.

Customer Eligibility. Products purchased hereunder are restricted for distribution solely to Customer's eligible retail pharmacies for retail sale to the public in the continental United States, Alaska and Hawaii. Before pricing hereunder is made available to Customer, Customer must provide to Abbott a listing of store locations including name, address, city, state, zip, NABP# and DEA#. This list must be updated during the Agreement period as changes occur.

Chargebacks. Customer shall utilize its chargeback system for all Products directly purchased by the store from a wholesaler.

Retail Buying Group or Wholesaler Alignment. If a Customer or independent store member of Customer belongs to one or more retail buying groups, or utilizes a wholesaler, Abbott will recognize a non-direct Product sale as a sale under this Agreement as it is reported by the store's wholesaler to Abbott, and register such sale under this Agreement as reported by the wholesaler and recorded in the Abbott sales tracking system. It is the responsibility of each retail buying group to assure that their wholesalers report transactions appropriately for their membership.

Product Availability. Abbott may discontinue marketing any of the products on Exhibit A or reasonably allocate supply in the event of shortage, and any such action shall not be deemed a breach of this offer.

Additional Terms. Additional terms and conditions not stated herein are contained in the Pharmaceutical Products Division Price Catalog in effect at time of invoice and are subject to change by Abbott without notice.

Books and Records. Customer shall maintain accurate books and records relating to the purchase and sale of all Abbott Products. At Abbott's written request, Customer shall make such information available for inspection by Abbott or its designated auditors during regular business hours.

Assignment and Waiver. Neither party may assign this Agreement to a third party without the prior written consent of the other party, and such assignment shall not be unrealistically denied. No assignment shall relieve a party of any obligations which have accrued prior thereto.

Confidentiality. Except as otherwise may be required to be disclosed by law, each party shall maintain the confidentiality of the existence of, and all terms and conditions of, this Agreement throughout the Agreement Term and for a period of three (3) years thereafter.

Notices. Any notice required or permitted to be given by either party to the other shall be given in person or sent by first class mail or express delivery service, postage prepaid, addressed to the other party at the address first set forth above or as a party may notify the other in accordance herewith.

Use of Trademarks, Etc. Neither party shall use any patented, trade-named, trade-marketed, service-marked or copyrighted material or property belonging to the other party, except as expressly permitted in writing by the other party.

Competition. Customer represents that the net prices of Products in this Agreement are competitive with those available from competitors of Abbott, and Abbott represents it has offered the net prices herein to meet competition.

Right to Rebid. If Customer receives a bona fide offer from a third party to purchase Product at a lower net price (inclusive of discounts and rebates) than that available to Customer under this Agreement, Customer may provide Abbott with a written notice that there is a competitive offer, and Abbott shall have the right to rebid such Product. If Abbott does not respond in writing within 5 business days, or the net price of Abbott's rebid is not equal to or lower than the competitor's offer, Customer may terminate such Product from this Agreement by giving written notice to Abbott. In the event of such termination, Abbott shall pay Customer all earned rebates, including the current quarter, even if a partial quarter. Abbott shall provide price protection of Customer's on hand inventory at the time of Abbott price decrease due to a competitive price offer.

Entire Agreement. This Agreement along with Exhibits A, B, C and D (listing of Abbott and competitive products by Category) constitutes the entire agreement of the parties and shall supersede any prior agreements and understandings of the parties with respect to its subject matter. This Agreement may not be amended except upon the written agreement of the parties.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, exclusive of choice of law provisions.

ABBOTT LABORATORIES INC.
PHARMACEUTICAL PRODUCTS DIVISION

Customer: _____

By: _____
Debra L. DeYoung
Manager - Strategic Pricing

By: _____

Name: _____

Title: _____

Date: _____

Date: _____

Please return both signed originals of the Agreement to:

*Debra L. DeYoung
Abbott Laboratories Inc.
Dept. 303 Bldg. AP-30
200 Abbott Park Road
Abbott Park, IL 60064*

EXHIBIT B

Agreement For The Release of Data

The undersigned, on behalf of _____ ("Customer"), authorizes IMS to release Sales Data to Abbott Laboratories Inc. ("Abbott") according to the terms of this Release. Release shall be valid for the term of the Abbott Erythromycin Purchase Agreement ("Agreement").

The Sales Data provided to Abbott will consist of Customer's sales of Abbott Erythromycin Products and designated Competitive Products at the National Level. IMS will provide Sales Data to Abbott only as a processed composite so that the sales volume for individual competitive products are not determinable. This release only authorizes Abbott to make the Sales Data available to Abbott home office personnel only for use in Abbott's determination of Abbott Product Usage.

Customer may terminate this Release at any time with or without cause as of the end of any calendar quarter by giving IMS ninety (90) days prior written notice of Customer's intention to terminate.

(Customer)

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C**DATA REPORTING FORM**

Category	"A" Abbott	"B" Other	"C" Total	"D" Percent
One	_____	_____	_____	_____
Two	_____	_____	_____	_____
Three	_____	_____	_____	_____
Four	_____	_____	_____	_____
Five	_____	_____	_____	_____
Six	_____	_____	_____	_____
Seven	_____	_____	_____	_____

Where:

A = Total Unit Purchases of Erythromycin Products direct or through a wholesaler for each

B = Total Unit Purchases of all Competitive Products

C = Total of A and B

D = Column A divided by Column C multiplied by 100 ("Abbott Product Usage")

For the purposes of determining Abbott Product Usage, the markets for Categories one through seven (1 - 7) are described in Exhibit D which shall be returned with the fully executed agreement.